

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

ZHANG MEDICAL, P.C.
d/b/a New Hope Fertility Center,

Debtor.

:
: Case No. 23-10678 (PB)
:
: Chapter 11
:
:
: Debtor. :
:

**STIPULATION AND ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND
503(b)(1)(A) AUTHORIZING POST-PETITION PAYMENT OF
EQUIPMENT OBLIGATIONS TO BANK OF AMERICA, N.A.**

RECITALS

WHEREAS, on April 30, 2023 (the “*Petition Date*”), Zhang Medical, P.C. d/b/a New Hope Fertility Center (“*Debtor*”) filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”), commencing the above-captioned Chapter 11 case (the “*Chapter 11 Case*”); and

WHEREAS, prior to the Petition Date, New Hope MSO Inc. (“*New Hope MSO*”) purchased certain equipment more particularly described in Schedule “A” (the “*Equipment*”) with financing from Bank of America, N.A. (“*BANA*”) pursuant to a Master Loan and Security Agreement dated as of March 17, 2020 (the “*Loan Agreement*”) and an Equipment Security Note No. 001 dated December 14, 2020 (the “*Note*”); and

WHEREAS, pursuant to the Note, New Hope MSO granted BANA a security interest and lien on the Equipment; and

WHEREAS, in connection with the Loan Agreement and the Note, the Debtor executed a Guaranty dated December 18, 2020 (the “*Guaranty*”) of New Hope MSO’s obligations to BANA

and Banc of America Leasing & Capital LLC (“BALC” and, together with BANA, the “Bank”) pursuant to the Loan Agreement and the Note; and

WHEREAS, prior to the Petition Date, the Debtor compensated New Hope MSO for Debtor’s use of the Equipment by making periodic cash payments to New Hope MSO to cover the amount due pursuant to the Loan Agreement and Note, thereby reducing the Debtor’s obligation on the Guaranty; and

WHEREAS, the Debtor uses the Equipment in the operation of its business to generate revenue for its bankruptcy estate; and

WHEREAS, it would be a significant disruption to the Debtor’s business operations and would increase Debtor’s operating expenses if the Debtor had to replace the Equipment.

STIPULATION

NOW, THEREFORE, it is hereby STIPULATED and AGREED by and between the Bank and the Debtor, as follows:

1. The Debtor is authorized to pay the Bank the sum of \$91,671.40 representing the amount due pursuant to the Loan Agreement and Note on September 5, 2023, October 5, 2023, November 5, 2023, and December 5, 2023 (the “*Unpaid Installment Amount*”), consisting of installment payments of \$87,306.08 (four monthly payments of \$21,826.52 each) and late charges of \$4,365.32 (four monthly late charges of \$1,091.33 each). The Debtor shall pay the Unpaid Installment Amount in two payments of \$45,835.70 each, the first on or before December 29, 2023, and the second on or before January 25, 2024.

2. The Debtor is further authorized to pay the Bank the amount of \$21,826.52 each month commencing on January 5, 2024, and continuing on the fifth (5th) day of each month thereafter until the confirmation of a plan of reorganization in the Debtor’s bankruptcy case, the

conversion of the Debtor's bankruptcy case to a proceeding for liquidation under Chapter 7 of the Bankruptcy Code, or the payment in full of the Note, whichever occurs first.

3. The Bank shall not take any action to repossess or enforce its lien on the Equipment without further Order to this Court; *provided, that* if the Debtor fails to make any of the payments due under Paragraph 1 or 2 of this Stipulation and Order within ten (10) days of its due day, the Bank may submit an Order for authority to enforce its security interest and lien on the Equipment by notice of presentment pursuant to Local Bankruptcy Rule 9074-1(c) on not less than seven (7) days' notice to all parties receiving electronic notice in the Debtor's bankruptcy case.

4. The Court shall retain jurisdiction over this matter to determine any disputes that may arise under this Stipulation and Order.

Dated: November 29, 2023
New York, New York

Dated: November 29, 2023
New York, New York

PARADALIS & NOVAHICKA LLP

/s/ Norma E. Ortiz

Joseph D. Novahicka, Esq.
Norma E. Ortiz, Esq., Of Counsel
950 Third Avenue, 11th Floor
New York, NY 10022
Telephone: 718.777.0400
E-mail: jdn@pnlawyers.com
email@ortizandortiz.com
Counsel to Debtors and Debtors in Possession

CHAPMAN & CUTLER LLP

/s/ J. Alex Kress

Daniel F. Flores, Esq.
J. Alex Kress, Esq.
1270 Avenue of the Americas, 30th Floor
New York, NY 10020-1708
Phone: (212) 655-6000
Fax: (212) 697-7210
Email: dflores@chapman.com
akress@chapman.com
Counsel to Bank of America, N.A. and Banc of America Leasing & Capital LLC

SO ORDERED:

Dated: December 22, 2023
New York, New York

/s/ Philip Bentley
Hon. Philip Bentley
United States Bankruptcy Judge

SCHEDULE A
TO EQUIPMENT PAYMENT STIPULATION

EXHIBIT A
New Hope MSO Inc.
4 Columbus Circle, New York NY 10019
50481-70000-001

Invoice #	Vendor	Equipment Location	Item	serial #	cost
7000991902	Illumina	4 Columbus Circle, 4th Floor, New York, NY 10019	Miniseq system	MN01272	\$ 55,048.85 \$ 55,048.85
9384	Global Med Systems	4 Columbus Circle, 4th Floor, New York, NY 10019	Verathon Glidescope gvi; GE datex-ohmeda cardiocap sn: PM086217; cardiocap/5 sn: 6625789/6198892; drager neorkomed GS anesthesia machine sn: 15089/15080; bander AS 50 OR syringe pump drop sn: 10080115ab/10100572ab; Drager Vapor 2000 sevoflurane vaporizer	10080115ab/10100572ab Total Invoice	\$ 33,244.98 \$ 33,244.98
69498875	Henry Schein	4 Columbus Circle, 4th Floor, New York, NY 10019	1 Midmark corp exam room fertilit	190823168089 Total Invoice	\$ 14,771.16 \$ 14,771.16
02062020-DAR	Hamilton Thorne	Darwin Life Lab, 4 Columbus Circle, 4th Floor, New York, NY 10019	1 Olympus IX73 Inverted Microscope 1 Narishige Hanging Joystick Standard Setup 1, Olympus cross stage with ø110mm round opening 1, LYKOS Fixed beam 40X Desktop Digital V.6 software 2, CellTram 4r Oil 1, TMC 4' Anti-Vibration Table with Castors, Armpads, & Shelves 2, MAW-406-2MC-Mono; Microscope: Single -1 user; Mini Chambers 2 2, Olympus SZX16 Stereoscope Integrated into ESCO MAW Hoods w/C-mounts 1, Thomas Scientific Table for K-System G210 & Astec Incubators 6' x 2' 1, Lab Refrigerator with Solid Doors 1, High Performance Freezer with Automatic Defrost Installation, Validation, & Training on All Equipment	9F45796 51961M702050, 51961M002047 9J09655 TRI18248008CD48 122363620119101000 Total Darwin Life Lab Location	\$ 38,367.75 \$ 21,719.97 \$ 2,777.70 \$ 33,464.00 \$ 5,760.32 \$ 5,630.60 \$ 40,946.40 \$ 21,150.00 \$ 1,477.68 \$ 5,358.00 \$ 5,284.00 \$ 4,400.00 \$ 186,316.42
02062020-DAR	Hamilton Thorne	Research Life Lab, 4 Columbus Circle, 4th Floor, New York, NY 10019	1, Nikon Ti2-U Inverted Microscope, Phase Contrast Optics, EPI Fluorescence, & Optional Nikon Digital Sight DS-F3 Camera & Analysis Software Bundle 1, Herasafe 2030i 6Fi Class 2 A2 Biological Safety Cabinet 1, Adjustable Height Stand, 6Fi Grey 1, LYKOS Fixed beam 40X Desktop Digital V.6 software	542984 291092	\$ 43,861.34 \$ 12,995.50 \$ 924.96 \$ 33,464.00

1, Thermo Scientific Sorvall ST16R Centrifuge Package: Refrigerated, 120V, Includes TX-400 Rotor, 4 x 400mL Round Buckets, 4 x 50mL and 9 x 15mL Conical Adapters (4 each)		\$	7,661.00
1, Water Bath, General Purpose Bundle: Controller Digital, Temp Stability		\$	1,395.90
1, Thermo Scientific Drybath/Shaker (Rocking) w/1.5mL & 0.5mL Tube Block Sets		\$	1,205.08
3, Thomas Scientific Tables 6' x 2'		\$	4,433.04
1, Mettler Toledo Analytical Balance ME104		\$	2,862.30
1, Eppendorf Easypet 3		\$	450.28
1, Nor-Lake Scientific General Purpose Laboratory Refrigerator/Freezer, 5.5cuft Capacity, Installation, Validation, & Training on All Equipment		\$	3,451.00
		\$	3,000.00
Total Research Life Lab		\$	115,794.38
Total			\$406,065.79

20012837-20011897	Vitrolife	Embryoscopes	ES-D2.911, ES-D2.872, ES-D2.909, ES-D2910, 916, 917, 912, 913, 915, 914, and 918ES-P1.4102, ES-P1.4115; viewers S4JP1243, 1251, 1253; ES server CZ29430J9M; label printer DA200524;	\$	1,217,929.00
20012939	Vitrolife		total of Vitrolife Invoices	\$	\$1,624,014.79
		Total			